

Message Text

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TO ALL DIPLOMATIC POSTS IMMEDIATE

INFO USDEL SECRETARY PRIORITY

USMISSION EC BRUSSELS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION IAEA VIENNA

USMISSION OECD PARIS

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS:UNCTAD, UN, EAID, EGEN

SUBJECT: SECRETARY'S SPEECH AT UNCTAD IV, NAIROBI, MAY 6

1. POSTS ARE RECEIVING BY USIS DAILY WIRELESS FILE FULL

TEXT OF SECRETARY KISSINGER'S SPEECH TO THE FOURTH UN CONFERENCE ON TRADE AND DEVELOPMENT WHICH WILL BE DELIVERED IN NAIROBI AT 4:00AM EDT MAY 6. USIS IS TRANSMITTING FRENCH AND SPANISH TRANSLATIONS TO APPROPRIATE POSTS.

2. MISSIONS REQUESTED TO DELIVER COPIES OF THE SECRETARY'S SPEECH TO APPROPRIATE OFFICIALS OF HOST GOVERNMENTS AS SOON AS POSSIBLE. IN DOING SO, THEY SHOULD DRAW UPON TALKING POINTS BELOW AS APPROPRIATE TO THE LOCAL SITUATION, AS WELL AS UPON ANY OTHER ASPECTS OF THE SECRETARY'S SPEECH WHICH THEY FEEL IT WOULD BE PARTICULARLY USEFUL TO EMPHASIZE.

3. SUGGESTED TALKING POINTS FOLLOW:

-- THE FACT THAT SECRETARY KISSINGER ATTENDED UNCTAD IV, THE FIRST TIME FOR A SECRETARY OF STATE, AND DELIVERED A MAJOR SPEECH THERE, ATTESTS TO THE IMPORTANCE WHICH WE ATTACH TO RELATIONS WITH LDCS AND TO UNCTAD AS A MAJOR BODY TO DEAL WITH WORLD ECONOMIC PROBLEMS.

-- OUR GOAL IN THE NORTH/SOUTH DIALOGUE SINCE THE 7TH SPECIAL SESSION (7TH SS) OF THE UNGA HAS BEEN TO BUILD AN INTERNATIONAL SYSTEM OF COOPERATION BASED ON MUTUAL BENEFIT TO BOTH THE LDCS AND DCS WHICH WILL PROMOTE LDC ECONOMIC SECURITY AND GROWTH. THE DIALOGUE HAS BEEN CARRIED ON IN A NUMBER OF FORUMS - THE UN COMMUNITY AND THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION (CIEC) AMONG OTHERS.

-- WE REGARD UNCTAD IV AS AN OPPORTUNITY TO REINFORCE THIS PROCESS AND TO ENLARGE AREAS OF AGREEMENT BETWEEN DCS AND LDCS. A FAILURE AT UNCTAD IV WOULD BE A MAJOR SETBACK TO OUR MUTUAL EFFORTS.

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-- WE BELIEVE THAT WE HAVE MADE CONSIDERABLE PROGRESS IN IMPLEMENTING SECRETARY KISSINGER'S 7TH SS INITIATIVES. (TABLES SHOWING THE STATUS OF THESE INITIATIVES AS OF THE END OF APRIL WERE SENT TO ALL POSTS IN CIRCULAR AIRGRAM A-2283 OF APRIL 30.)

-- WE REALIZE THAT THE LDCS ARE SERIOUSLY CONCERNED ABOUT PROGRESS IN THE FIELDS OF COMMODITIES, TECHNOLOGY, BALANCE OF PAYMENTS, AND THE NEEDS OF THE POOREST. FOR THAT REASON, SECRETARY KISSINGER HAS PRESENTED CONSTRUCTIVE PROPOSALS WHICH DEAL WITH THESE ISSUES.

-- WHILE ENDEAVORING TO BUILD ON THE PROGRESS IN NORTH/SOUTH COOPERATION BY THE PROGRAM ADOPTED AT THE 7TH SS, WE ARE WILLING TO EXAMINE IN SERIOUS FASHION ANY APPROACHES IN UNCTAD IV, EVEN IF THEY HAVE NOT BEEN ACCEPTED IN THE PAST. EQUALLY, WE HOPE THAT OTHERS WILL RECOGNIZE THAT MAXIMUM PROGRESS CAN BE ACHIEVED BY BUILDING ON AREAS OF CONSENSUS ESTABLISHED AT THE 7TH SS RATHER THAN PUSHING CONTENTIOUS ISSUES WHERE AGREEMENT IS NOT POSSIBLE.

-- THE U.S. IS TRYING TO MAINTAIN THE MOMENTUM OF THE NORTH/SOUTH DIALOGUE, BUT FOR IT TO BE A TRULY RECIPROCAL PROCESS, THE INTERESTS OF THE DEVELOPED COUNTRIES IN SUCH MATTERS AS BETTER TREATMENT FOR INVESTMENT AND REASONABLE OIL PRICES, MUST BE RECOGNIZED. THIS IS IN THE INTERESTS OF THE LDCS AS WELL.

-- AT UNCTAD IV, THE U.S. WILL SEEK TO ENLARGE THE AREA OF GENUINE CONSENSUS AND TO PROMOTE PRACTICAL MEASURES OF MUTUAL BENEFIT. IT IS PREPARED TO OFFER

RESOURCES, SKILLS AND DEDICATION TO EXPANDING THE GLOBAL ECONOMY FOR THE BENEFIT OF ALL NATIONS AND TO OPEN UP OPPORTUNITIES FOR DEVELOPING NATIONS TO RECEIVE A JUST SHARE IN GLOBAL GROWTH.

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4. THERE FOLLOWS A BACKGROUND STATEMENT ON THE SECRETARY'S UNCTAD SPEECH WHICH YOU MAY DRAW UPON IN DISCUSSIONS WITH HOST GOVERNMENTS. BEGIN TEXT.

THIS CONFERENCE MARKS A NEW STAGE IN THE INTENSIVE DIALOGUE BETWEEN NORTH AND SOUTH WHICH WE BEGAN AT THE SEVENTH SPECIAL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY AND CONTINUED AT PARIS IN THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION. THE ISSUES WE ADDRESS WILL NOT BE SOLVED BY ANY ONE CONFERENCE; THEY WILL REQUIRE SUSTAINED EFFORT BY ALL PARTIES IN MANY FORUMS INCLUDING UNCTAD, THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION, THE MULTILATERAL TRADE NEGOTIATIONS, THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND.

THE MAJOR NEW ELEMENTS IN SECRETARY KISSINGER'S SPEECH.

IN HIS ADDRESS TO THE CONFERENCE, THE SECRETARY OF STATE PROPOSES A FAR-REACHING APPROACH TO THE FULL RANGE OF NORTH-SOUTH ISSUES;

A COMPREHENSIVE PLAN ADDRESSING THE MAJOR COMMODITY

ISSUES, INCLUDING:

-- A PROPOSAL FOR AN INTERNATIONAL RESOURCES BANK TO FACILITATE SOUND RESOURCE PROJECTS IN DEVELOPING COUNTRIES ON TERMS ACCEPTABLE TO DEVELOPING NATIONS AND INVESTORS.

-- A PROPOSAL OF A DEFINITE TIMETABLE FOR THE STUDY OF SPECIFIC COMMODITY PROBLEMS OF DEVELOPING COUNTRIES; THE

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INITIATION OF CONCERTED CONSIDERATION IN PRODUCER-CONSUMER FORUMS THIS YEAR OF MEASURES TO IMPROVE THE STABILITY, GROWTH AND EFFICIENCY OF MARKETS FOR ALL KEY DEVELOPING COUNTRY COMMODITIES; AND SUGGESTIONS FOR POSSIBLE SOURCES TO FINANCE AGREED BUFFER STOCKS.

-- A COMMITMENT TO GIVE SPECIAL ATTENTION TO THE NEEDS OF THE DEVELOPING NATIONS IN THE GENEVA MULTILATERAL TRADE NEGOTIATIONS.

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-- A PROPOSAL FOR CONSIDERING AN INTERNATIONAL CODE ON

EXPORT CONTROLS TO REDUCE UNCERTAINTY FOR EXPORTERS AND CONSUMERS.

A FULL RANGE OF MEASURES TO FACILITATE TECHNOLOGY TRANSFER, AND IMPROVE APPLICATION OF TECHNOLOGY TO THE NEEDS OF THE DEVELOPING COUNTRIES, INCLUDING:

-- A PROPOSAL TO STRENGTHEN GLOBAL RESEARCH AND DEVELOPMENT PROGRAMS, AND FOSTER GREATER COOPERATION IN SATELLITE TECHNOLOGY, WATER RESOURCES AND DEEP SEABED TECHNOLOGY.

-- SUPPORT FOR THE PROPOSED UNCTAD ADVISORY SERVICE TO ENABLE DEVELOPING COUNTRIES BETTER TO ACQUIRE TECHNOLOGY APPROPRIATE TO THEIR REQUIREMENTS AS PART OF AN EFFORT TO IMPROVE THE AMOUNT AND QUALITY OF TECHNOLOGICAL INFORMATION AVAILABLE TO DEVELOPING COUNTRIES.

-- A PROPOSAL FOR A NEW TECHNOLOGY CORPS TO MAKE AVAILABLE SKILLED PERSONNEL TO WORK WITH AND TRAIN MANPOWER IN SPECIFIC DEVELOPMENT PROJECTS AS PART OF AN EFFORT TO DEVELOP NEW GENERATIONS OF TECHNOLOGY MANAGERS.

-- A PROPOSAL FOR DEVELOPMENT OF VOLUNTARY GUIDELINES TO SET FORTH THE CONDITIONS AND STANDARDS WHICH AID THE TRANSFER OF TECHNOLOGY.

-- ANNOUNCEMENT OF A NATIONWIDE CONFERENCE IN THE U.S. TO BRING TOGETHER THE BEST TALENT FROM AMERICAN INSTITUTIONS

FOUNDATIONS AND PRIVATE ENTERPRISE TO HELP PREPARE FOR THE UNITED NATIONS CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT PROPOSED FOR 1979.

-- A DETERMINED EFFORT TO HELP DEVELOPING COUNTRIES FACED WITH BALANCE OF PAYMENTS AND DEBT PROBLEMS, INCLUDING RECIPROCAL AID UNTYING, AND AN EXAMINATION OF THE PROBLEM OF ACUTE FINANCING AND DEBT SERVICE DIFFICULTIES OF SPECIFIC DEVELOPING COUNTRIES.

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A COLLECTIVE INTERNATIONAL PROGRAM TO DEAL WITH THE PROBLEMS OF THE POOREST COUNTRIES INCLUDING AGREEMENT BY DONOR COUNTRIES TO PROVIDE ALL DEVELOPMENT ASSISTANCE ON A GRANT BASIS TO THE RELATIVELY LEAST DEVELOPED COUNTRIES ON THE UNCTAD LIST.

THE SEVENTH SPECIAL SESSION AND ITS AFTERMATH

AT THE SEVENTH SPECIAL SESSION LAST FALL, THE U.S. MADE A COMPREHENSIVE SET OF SPECIFIC PROPOSALS TO DEAL IN A PRACTICAL WAY WITH THE VARIETY OF DEVELOPMENT PROBLEMS FACING THE INTERNATIONAL COMMUNITY. OUR GOAL WAS, AND IS, TO HELP BUILD AN INTERNATIONAL SYSTEM OF COOPERATION BASED ON RESPECT, CONFIDENCE, AND MUTUAL BENEFIT BETWEEN THE NATIONS OF THE DEVELOPING COUNTRIES WHILE PROVIDING A CO-OPERATIVE INTERNATIONAL CLIMATE WHICH WILL SERVE THE CONTINUED GROWTH, STABILITY, AND PROGRESS OF ALL NATIONS.

A NUMBER OF SIGNIFICANT STEPS HAVE ALREADY BEEN TAKEN TO IMPLEMENT THE PROPOSALS WE ANNOUNCED LAST SEPTEMBER:

-- IN JANUARY, THE INTERIM COMMITTEE OF THE INTERNATIONAL MONETARY FUND AGREED ON THREE MAJOR PROPOSALS WHICH WILL PROVIDE SUBSTANTIAL BENEFITS TO THE DEVELOPING COUNTRIES. IT EXPANDED ITS COMPENSATORY FINANCING FACILITY AS WE HAD PROPOSED, TO MAKE AVAILABLE SEVERAL BILLION DOLLARS TO STABILIZE EXPORT EARNINGS; IT HAS ALREADY LENT ROUGHLY DOLLARS 800 MILLION IN THE FIRST FOUR MONTHS OF THIS YEAR TO COUNTRIES EXPERIENCING EXPORT SHORTFALLS. IT ESTABLISHED A TRUST FUND WHICH WILL CHANNEL THE PROFITS ON THE SALE OF ONE-SIXTH OF THE IMF'S GOLD TO THE POOREST DEVELOPING COUNTRIES. AND IT AGREED ON A SUBSTANTIAL INCREASE OF IMF QUOTAS, ALSO TO THE BENEFIT OF THE DEVELOPING WORLD.

-- WE AGREED ON THE IMPORTANCE OF INCREASING THE CAPITAL AND TECHNOLOGICAL RESOURCES AVAILABLE TO DEVELOPING COUNTRIES. NEGOTIATIONS HAVE BEEN COMPLETED TO INCREASE THE WORLD BANK CAPITAL BY DOLLARS 8 BILLION. NEGOTIATIONS ARE EITHER IN PROGRESS OR HAVE BEEN COMPLETED ON SUBSTAN-

TIAL REPLENISHMENTS OF THE REGIONAL DEVELOPMENT BANKS. THE
BOARD OF DIRECTORS OF THE INTERNATIONAL FINANCE CORPORATION
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HAS APPROVED A FOUR-FOLD REPLENISHMENT OF THE RESOURCES OF
THAT INSTITUTION, WHICH IS DESIGNED TO MOBILIZE SUBSTANTIAL
AMOUNTS OF PRIVATE CAPITAL FOR THE BENEFIT OF DEVELOPING
COUNTRIES.

-- WE HAVE ADVANCED PROPOSALS FOR INTERNATIONAL INSTITUTES
IN ENERGY AND INDUSTRIALIZATION TO HELP DISSEMINATE TECH-
NOLOGY SKILLS.

-- WE HAVE ALSO INSTITUTED OUR SYSTEM OF GENERALIZED
TARIFF PREFERENCES; AT THE MULTILATERAL TRADE NEGOTIATIONS
IN GENEVA, NEGOTIATIONS FOR TARIFF REDUCTIONS ON
TROPICAL PRODUCTS ARE IN PROGRESS; ALSO IN GENEVA WE HAVE
TABLED A FORTHCOMING TARIFF CUTTING PLAN TO LIBERALIZE
INTERNATIONAL TRADE.

-- CONCERNING THE PROBLEMS OF COMMODITIES, WE HAVE RE-
CENTLY SIGNED TWO INTERNATIONAL COMMODITY AGREEMENTS ON
TIN AND COFFEE. WE WILL CONTRIBUTE TO THE UN REVOLVING
FUND FOR MINERAL EXPLORATION.

-- NEGOTIATIONS ARE WELL ADVANCED TOWARD THE ESTABLISH-
MENT OF AN INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
DESIGNED TO DEAL WITH THE URGENT PROBLEMS OF FOOD, ES-
PECIALLY IN THE POOREST COUNTRIES. AND THE UNITED STATES
HAS PLEDGED 60 PERCENT OF THE 10 MILLION TON WORLD FOOD
CONFERENCE TARGET FOR FOOD AID.

THE UNITED STATES AND UNCTAD IV.

THE NAIROBI UNCTAD CONFERENCE IS AN EXTREMELY IMPORTANT
OPPORTUNITY TO MAINTAIN THIS MOMENTUM. THIS IS WHY SEC-
RETARY KISSINGER IS ATTENDING THE CONFERENCE -- THE FIRST
U.S. SECRETARY OF STATE TO ATTEND AN UNCTAD SESSION.
HIS MAJOR SPEECH EMBODIES A COMPREHENSIVE AND FAR-REACHING
APPROACH BY THE UNITED STATES TO THE FULL RANGE OF NORTH-
SOUTH ISSUES:

-- IF THE WORLD ECONOMY IS TO FLOURISH IT MUST BE BASED
ON A FIRM FOUNDATION OF SECURITY, FAIRNESS, AND OPPORTUNITY
TO ALL - RICH AND POOR, NORTH AND SOUTH, CONSUMER AND
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PRODUCER.

-- PROGRESS OF NORTH-SOUTH ISSUES IS AN IMPERATIVE OF A GLOBAL ECONOMIC SYSTEM WHICH IS EFFICIENT AND JUST: THE ORDERLY EVOLUTION OF THE INTERNATIONAL ECONOMIC SYSTEM DEPENDS ON MUTUAL RESPECT, BROADLY SHARED BENEFITS, AND THE WILLINGNESS OF ALL COUNTRIES TO ACCEPT THEIR SHARE OF RESPONSIBILITY.

-- THE ADVANCEMENT OF THE DEVELOPING WORLD IS A CONTINUOUS PROCESS. IT WILL NOT END WITH ANY ONE CONFERENCE; IT WILL REQUIRE SUSTAINED EFFORT IN MANY FORUMS.

-- BROADLY GENERALIZED FORMULATIONS WILL NOT SOLVE THE COMPLEX ISSUES BEFORE US. FOR OVER ONE HUNDRED DEVELOPING COUNTRIES IN DIFFERING ECONOMIC STAGES, WITH DIFFERENT REQUIREMENTS AND CAPACITIES, WE MUST CONCENTRATE ON

SPECIFIC PROBLEMS AND PRACTICAL SOLUTIONS.

-- WE MUST BE ESPECIALLY AWARE OF THE NEEDS OF THE POOREST COUNTRIES.

-- THOSE DEVELOPING COUNTRIES WHICH HAVE RECENTLY ACQUIRED NEW WEALTH HAVE A SPECIAL RESPONSIBILITY TO CONTRIBUTE NEW RESOURCES TO THE GLOBAL DEVELOPMENT EFFORT.

-- COMBINED WITH EFFECTIVE INTERNATIONAL INSTITUTIONS AND GOVERNMENT POLICIES PROVIDING A FAVORABLE ENVIRONMENT, PRIVATE ENTERPRISE CAN MAKE AN ESSENTIAL CONTRIBUTION TO

ECONOMIC DEVELOPMENT.

THE UNITED STATES PRESENTATION TO UNCTAD BUILDS UPON THESE THEMES. IT REPRESENTS THE NEXT MAJOR STEP IN UNITED STATES POLICY TOWARD THE DEVELOPING NATIONS. IT REFLECTS MANY OF THE CONSTRUCTIVE IDEAS SET FORTH BY NATIONS OF BOTH NORTH AND SOUTH IN RECENT MONTHS IN THE MANILA DECLARATION AND OTHER FORUMS, INCLUDING THE CONFERENCE OF INTERNATIONAL ECONOMIC COOPERATION IN PARIS.

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OUR APPROACH FURTHERS THE PROGRESS BEGUN AT THE SEVENTH SPECIAL SESSION IN FOUR KEY AREAS:

-- FIRST, WE OFFER A COMPREHENSIVE PLAN ON ADDRESSING THE MAJOR COMMODITY ISSUES, INCLUDING THE PROBLEMS OF RESOURCE INVESTMENT AND TRADE. COMMODITIES ARE A VITAL ELEMENT FOR THE WORLD ECONOMY AS A WHOLE AND PARTICULARLY IMPORTANT FOR MANY DEVELOPING COUNTRIES.

-- SECOND, WE PROPOSE A FAR-REACHING LONG-TERM PROGRAM TO ACCELERATE TECHNOLOGY TRANSFER AND THE EFFECTIVE APPLICATION OF TECHNOLOGY TO DEVELOPING COUNTRY ECONOMIES. WITHOUT IMPROVED TECHNOLOGY TRANSFER, MANY DEVELOPING COUNTRIES HAVE LITTLE HOPE OF BREAKING OUT OF THE CYCLE OF POVERTY AND DESPAIR.

-- THIRD, WE PROPOSE MEASURES WHICH ADDRESS THE SERIOUS BALANCE OF PAYMENTS AND DEBT PROBLEMS OF A NUMBER OF DEVELOPING COUNTRIES. THE COMBINATION OF HIGHER OIL PRICES AND RECESSION IN THE INDUSTRIALIZED COUNTRIES HAS MADE THIS A CRITICAL PROBLEM FOR SEVERAL COUNTRIES.

-- FOURTH, WE PROPOSE MEASURES TO ALLEVIATE THE PLIGHT OF THE POOREST COUNTRIES WHICH REQUIRE CONTINUAL ATTENTION AND SPECIAL TREATMENT FROM THE INTERNATIONAL COMMUNITY.

COMMODITIES.

IN COMMODITIES, THE UNITED STATES PROPOSES A COMPREHENSIVE APPROACH AIMED AT:

-- PROVIDING ADEQUATE FINANCING FOR SOUND RESOURCE DEVELOPMENT PROJECTS;

-- IMPROVEMENT IN THE CONDITIONS OF TRADE AND INVESTMENT IN INDIVIDUAL COMMODITIES;

-- STABILIZATION OF OVERALL EXPORT EARNINGS OF DEVELOPING COUNTRIES; AND

-- MARKET AND SUPPLY ACCESS FOR RESOURCES AND PROCESSED LIMITED OFFICIAL USE
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GOODS.

AT THE HEART OF OUR PROPOSAL TO IMPROVE RESOURCE DEVELOPMENT FINANCING IS A SIGNIFICANT NEW INITIATIVE: THE INTERNATIONAL RESOURCES BANK. THIS NEW INSTITUTION WOULD FACILITATE SOUND RESOURCE PROJECTS IN DEVELOPING COUNTRIES; IT WOULD PROVIDE PROTECTION TO HOST NATIONS AND INVESTORS AGAINST FAILURE TO PERFORM IN ACCORDANCE WITH PREVIOUSLY AGREED CONDITIONS; AND IT WOULD GIVE DEVELOPING COUNTRIES INCREASING OPPORTUNITIES TO PARTICIPATE IN THE MANAGEMENT, PRODUCTION, AND TECHNOLOGY OF RESOURCE PROJECTS. THE IRB

WOULD HELP ASSURE THE ESSENTIAL FLOW OF CAPITAL, MANAGEMENT AND TECHNOLOGY INTO RESOURCE DEVELOPMENT AND DEVELOPING ECONOMIES. WE CONSIDER THE IRB TO BE AN INNOVATIVE AND SIGNIFICANT RESPONSE TO THE BASIC NEEDS OF THE DEVELOPING

COUNTRIES AND THE INTERNATIONAL COMMUNITY. IT WILL BE A MAJOR NEW ELEMENT IN AN INTERNATIONAL FRAMEWORK FOR A SHARING OF BENEFITS AND RESPONSIBILITIES BETWEEN INDUSTRIALIZED AND LESS DEVELOPED COUNTRIES.

TO IMPROVE THE CONDITIONS OF TRADE AND INVESTMENT IN COMMODITY MARKETS, THE UNITED STATES URGES A RANGE OF TECHNIQUES, INCLUDING LONG-TERM CONTRACTUAL ARRANGEMENTS, BETTER EXCHANGE OF MARKET INFORMATION, IMPROVED DISTRIBUTION, MORE EFFICIENT PRODUCTION METHODS AND BETTER STORAGE AND TRANSPORTATION FACILITIES.

IN ADDITION, WE BELIEVE THAT BUFFER STOCKS CAN BE A USEFUL TECHNIQUE FOR STABILIZING PRICES OF SOME COMMODITIES, HELPING TO AVOID SHARP PRICE SWINGS AND ASSURING ADEQUATE SUPPLIES AT REASONABLE PRICES WHEN MARKETS ARE TIGHT. AGREED BUFFER STOCKS CAN BE FINANCED FROM A

COMBINATION OF SOURCES. AND WE ARE CONVINCED THAT ADEQUATE INTERNATIONAL FINANCING FOR EACH SUCH STOCK CAN BE ASSURED.

FURTHER, WE URGE AGREEMENT ON A DEFINITE TIMETABLE TO DEAL WITH SPECIFIC COMMODITY PROBLEMS OF INTEREST TO DEVELOPING COUNTRIES. THE UNITED STATES IS PREPARED TO INITIATE CONLIMITED OFFICIAL USE
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CERTED CONSIDERATION IN PRODUCER-CONSUMER FORUMS THIS YEAR OF MEANS TO IMPROVE THE STABILITY, GROWTH AND EFFICIENCY OF MARKETS FOR ALL KEY DEVELOPING COUNTRY COMMODITIES.

THE PROBLEM OF OVERALL EXPORT EARNINGS STABILIZATION REMAINS HIGHLY SIGNIFICANT, ESPECIALLY FOR LOW-INCOME COUNTRIES WHOSE EXPORT REVENUES DEPEND ON ONE OR TWO COMMODITIES. OUR PROPOSAL FOR EXPANSION OF THE IMF COMPENSATORY FINANCE FACILITY HAS BEEN ADOPTED. AND IT IS POSSIBLE THAT THE FACILITY WILL LEND MORE THIS YEAR THAN IT HAS OVER THE PREVIOUS TWELVE YEARS COMBINED. WE HAVE ALSO PROPOSED THAT THE NEW IMF TRUST FUND PROVIDE FINANCING ON CONCESSIONAL TERMS TO THE POOREST COUNTRIES TO STABILIZE EARNINGS FROM KEY COMMODITIES. IF THE TRUST FUND'S RESOURCES PROVE INADEQUATE IN THE FUTURE FOR THIS TASK, THE UNITED STATES WILL JOIN IN A REVIEW OF THE TRUST FUND RESOURCES.

IMPROVING MARKET AND SUPPLY ACCESS REQUIRES A NUMBER OF MEASURES FROM BOTH DEVELOPED AND DEVELOPING COUNTRIES TO EXPAND TRADE. THE UNITED STATES WILL JOIN IN A RENEWAL OF THE OECD TRADE PLEDGE TO AVOID NEW IMPORT RESTRICTIONS. WE ARE EXAMINING THE POSSIBILITY OF INCLUDING ADDITIONAL PRODUCTS IN OUR SCHEME OF GENERALIZED TARIFF PREFERENCES. AND WE INTEND TO IMPLEMENT NEGOTIATED TARIFF REDUCTIONS

ON TROPICAL PRODUCTS AS SOON AS POSSIBLE AFTER A PACKAGE IS AGREED UPON IN THE MTN. TO INCREASE SUPPLY RELIABILITY THE UNITED STATES PROPOSES CONSIDERATION OF AN INTERNATIONAL CODE ON EXPORT CONTROLS TO REDUCE UNCERTAINTY FOR BOTH EXPORTERS AND CONSUMERS.

TECHNOLOGY.

ON TECHNOLOGY, THE SECRETARY'S PRESENTATION ADDRESSES A FULL RANGE OF MEASURES DESIGNED TO MAKE THE APPLICATION OF TECHNOLOGY TO DEVELOPING COUNTRIES' ECONOMIES MORE EFFECTIVE.

FIRST, THE UNITED STATES PROPOSES NEW RESEARCH AND DEVELOPMENT PROGRAMS AND GREATER INTERGOVERNMENTAL COOPERATION IN SATELLITE TECHNOLOGY, WATER RESOURCES AND DEEP LIMITED OFFICIAL USE
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SEABED TECHNOLOGY. OUR PURPOSE IS TO MAKE TECHNOLOGY MORE APPROPRIATE TO THE SPECIAL NEEDS OF DEVELOPING COUNTRIES.

THIS INVOLVES THE STRENGTHENING OF RESEARCH CAPACITY IN DEVELOPING COUNTRIES, THE ENCOURAGEMENT OF INCREASED INTERGOVERNMENTAL COOPERATION IN TRANSFERRING APPROPRIATE TECHNOLOGY, AND THE DEVELOPMENT OF NEW TECHNOLOGIES.

SECOND, THE UNITED STATES WILL SUPPORT THE EFFORTS OF THE UNITED NATIONS INTERNATIONAL CENTER FOR EXCHANGE OF TECHNOLOGY INFORMATION WHEN IT COMES INTO BEING TO PROVIDE COMPREHENSIVE INFORMATION ON THE CAPABILITIES AND FACILITIES OF NATIONAL AND REGIONAL INFORMATION SERVICES AND CREATION OF THE UNCTAD ADVISORY SERVICE TO STRENGTHEN THE ABILITY OF DEVELOPING COUNTRIES TO EFFECTIVELY IDENTIFY, SELECT AND NEGOTIATE FOR APPROPRIATE TECHNOLOGY.

THIRD, THE UNITED STATES PROPOSES INCREASED TRAINING OF TECHNOLOGY SPECIALISTS AND MANAGERS. THIS WILL BE CRUCIAL IF DEVELOPING COUNTRIES ARE TO BE ABLE TO MANAGE EFFECTIVELY THE TECHNOLOGY THEY RECEIVE. TO THIS END THE UNITED STATES GOVERNMENT WILL ENCOURAGE THE FORMATION OF A PRIVATE NON-PROFIT TECHNOLOGY CORPS TO MAKE AVAILABLE SKILLED PERSONNEL TO WORK WITH AND HELP TRAIN LOCAL MANPOWER IN SPECIFIC DEVELOPMENT PROJECTS.

FOURTH, THE UNITED STATES SUPPORTS DEVELOPMENT OF VOLUNTARY GUIDELINES FOR TECHNOLOGY TRANSFER DESIGNED TO ENCOURAGE, FACILITATE AND MAXIMIZE THE TRANSFER PROCESS. OUR PROPOSAL FOR AN INTERNATIONAL RESOURCES BANK WILL FACILITATE TECHNOLOGY TRANSFER. AND WE PROPOSE DISCUSSIONS ON CONCRETE PROBLEMS IN THE TECHNOLOGY TRANSFER PROCESS TO ENSURE THAT IT IS EFFECTIVE AND EQUITABLE TO

BOTH HOST GOVERNMENTS AND THE PRIVATE SECTOR.

FIFTH, THE UNITED STATES URGES AN ACCELERATED EFFORT TO PREPARE FOR THE UNITED NATIONS CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT, NOW PROPOSED FOR 1979. WE SEEK TO ENSURE THAT ALL ELEMENTS OF OUR PROPOSED PROGRAM FOR TECHNOLOGY WILL BE IN PLACE BY THAT TIME. TO THIS END THE UNITED STATES WILL CALL A NATIONAL CONFERENCE OF LIMITED OFFICIAL USE
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EXPERTS FROM OUR INSTITUTIONS, FOUNDATIONS AND PRIVATE ENTERPRISE.

BALANCE OF PAYMENTS.

WHILE THE PROBLEM OF COMMODITIES AND TECHNOLOGY ARE OF A LONG-TERM NATURE, THE BALANCE OF PAYMENTS PROBLEMS OF SOME COUNTRIES ARE IMMEDIATE. TO DEAL WITH THEM, THE UNITED STATES PROPOSES THAT THE INDUSTRIAL AND OIL-PRODUCING COUNTRIES INCREASE THE FLOW AND QUALITY OF RESOURCES TO THE NON-OIL PRODUCING DEVELOPING COUNTRIES AND GIVE RENEWED ATTENTION TO COUNTRIES FACING CRITICAL DEBT PROBLEMS.

IN ADDITION, WE URGE THE OECD DEVELOPMENT ASSISTANCE COMMITTEE TO CONSIDER RECIPROCAL UNTYING OF DEVELOPMENT ASSISTANCE. THIS WILL HELP AUGMENT THE CONTRIBUTION OF PUBLIC FLOWS TO DEVELOPMENT.

ON THE CRUCIAL QUESTION OF PRIVATE FLOWS, WE STRONGLY SUPPORT THE WORK OF THE IBRD-IMF DEVELOPMENT COMMITTEE ON CAPITAL MARKET ACCESS. IN ADDITION WE ARE PLEASED TO NOTE THE APPROVAL OF THE FOUR-FOLD REPLENISHMENT OF THE IFC. WE LOOK FORWARD TO EARLY IMPLEMENTATION OF OUR PROPOSAL FOR AN INTERNATIONAL INVESTMENT TRUST.

FURTHER, WE ARE PROPOSING THAT THE CIEC FINANCE COMMISSION OR ANOTHER MUTUALLY AGREEABLE FORUM EXAMINE PROBLEMS OF ACUTE FINANCING OF DEVELOPING COUNTRIES.

THE POOREST COUNTRIES.

THE SPECIAL REQUIREMENTS OF THE POOREST COUNTRIES DEMAND RENEWED EFFORTS. THE UNITED STATES PROPOSES THAT AID BE INCREASED AND IMPROVED IN QUALITY THROUGH THESE STEPS: MULTILATERAL INITIATIVES SUCH AS IFAD AND THE SAHEL FUND, BOTH OF WHICH WE ARE SUPPORTING, SHOULD BE RAPIDLY IMPLEMENTED; THE INTERNATIONAL DEVELOPMENT ASSOCIATION SHOULD BE SUBSTANTIALLY REPLENISHED; AND THE UNITED NATIONS DEVELOPMENT PROGRAM GRANTS SHOULD BE BROADENED.

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AS AN ADDITIONAL STEP, THE UNITED STATES PROPOSES THAT
ALL DONOR COUNTRIES AGREE TO PROVIDE DEVELOPMENT ASSIST-
ANCE TO THE RELATIVELY LEAST DEVELOPED COUNTRIES ON A
GRANT BASIS; AND WE WILL NOW SEEK CONGRESSIONAL AUTHORITY
TO DO THIS. END TEXT. SISCO

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Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE110079
Document Source: ADS
Document Unique ID: 00
Drafter: IO/CMD:WWOODBURY:EB/IFD/ODF:JWINDER:S/P:JGARTE
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760175-0254
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197605109/baaaeoxo.tel
Line Count: 607
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAR 2004 by SmithRJ>; APPROVED <28 JUL 2004 by ShawDG>
Review Markings:

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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPEECH AT UNCTAD IV, NAIROBI, MAY 6
TAGS: EAID, EGEN, US, XX, UNCTAD, UN, (KISSINGER, HENRY A)
To: ALL DIPLOMATIC POSTS INFO SECRETARY
EC BRUSSELS
ROME
GENEVA
IAEA VIENNA
OECD PARIS

PARIS
VIENNA
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Type: TE

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